



COMPLIANCE ALERT

New Jersey Employers Should Take Note of Changes to the State's Unemployment Compensation Law

On July 31, 2023, several amendments to the New Jersey Unemployment Compensation Law went into effect. Most notably, the amended law creates new reporting obligations for employers when a New Jersey employee separates.

As of July 31, 2023, employers in New Jersey are required to “immediately and simultaneously” send to the New Jersey Department of Labor & Workforce Development’s (NJDOL) Division of Unemployment Insurance a copy of the [Form BC-10](#) that is given to separated employees. Also as of July 31, 2023, New Jersey employers are required to submit a form to the NJDOL every time an employee is separated that will include information “sufficient to enable the [NJDOL] to make a benefit determination.” As of the date of this Alert, the NJDOL has yet to publish this form.

The amendments to the Unemployment Compensation Law also modified several deadlines that impact the unemployment process as follows:

- The NJDOL will now notify the employer of missing separation information within seven (7) days of the employee’s unemployment insurance claim or the employer’s submission of the required information (whichever occurs first), and the employer will have seven (7) days to respond.
- The NJDOL will make an initial benefits determination within three (3) weeks of receiving a separated employee’s claim.
- Claimants will have twenty-one (21) days from the date a claim is received to appeal an initial NJDOL determination, but employers still will have only seven (7) days from confirmed receipt of a determination to appeal.

Finally, the amended law subjects an employer to increased penalties, including a \$500-per-day fine or 25 percent of the amount of unemployment benefits withheld, whichever is greater. NJDOL will apply this penalty to an employer who “willfully fails or refuses to

furnish any reports or information” or who knowingly makes a false statement or knowingly fails to disclose a material fact to avoid or reduce the payment of unemployment benefits.

Although guidance from the NJDOL is, according to the state, “forthcoming,” the state has said that employers immediately should create an Employer Access account to “provide an email address to correspond electronically with NJDOL’s Divisions of Employer Accounts and Unemployment Insurance as required by” the new regulations. Employers can create their account on the [NJDOL website](#).

Employers should consult with experienced human resources professionals and/or labor and employment counsel with any questions regarding employment law issues. For all MEA members, the Hotline is available to provide this assistance. For MEA Essential and Premier members, a Member Legal Services attorney is available for additional consultation.

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